

Kentucky Agricultural Development Board

Minutes of the February 17, 2006 Monthly Board Meeting

The Monthly Board Meeting of the Kentucky Agricultural Development Board was held on February 17, 2006 at **10:00 AM EST**, in the South Wing Room C104 of the Kentucky Exposition Center in Louisville, KY. Michael Judge, presiding, called the meeting to order, and the Secretary called the roll.

Roll Call

Members Present

Donna Amburgey; H. H. Barlow; Vickie Yates Brown; Danny Case; John Cleaver; Rodney Dick; Commissioner Richie Farmer (Michael Judge, designee); Dennis Griffin; Wayne Hunt; Sam Lawson; Sam Moore; Dean M. Scott Smith (Jimmy Henning, designee); Secretary Gene Strong (Don Goodin, designee)

Members Absent

Governor Ernie Fletcher, Jim Mahan

Others Present

Staff - Catherine Ball, Angela Blank, Brian Furnish, Tim Hughes, Christi Marksbury, Bill McCloskey, Keith Rogers, Nick Whobrey, Stephen Yates

Guests – Larry Snell, Kentucky Center for Agriculture & Rural Development; Kelley Yates, Fayette County Extension Service; Sharon Burton, The Farmer's Pride; Larry & Sherry Bratcher; Brent Lackey, Kentucky Produce & Aquaculture Alliance; Jamie Potts, Kentucky West Nursery (KWN); John Potts, KWN; Mitchell Paschall, KWN; Mark Powell, KWN; Stewart Hughes, Scott County; Ben Abell, Community Farm Alliance; Alan Taylor, West Kentucky Growers Cooperative; Steve Meredith; Bill Green, KWN; Buck Futrell. KWN

Notification of Media

Mr. Judge received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Kentucky Agricultural Development Board monthly meeting.

Welcome

Mr. Judge welcomed everyone to the Agricultural Development Board meeting.

Approval of Minutes

John Cleaver moved to approve the minutes of the January 20, 2006 meeting as presented: Rodney Dick seconded the motion. The motion passed without dissent.

Executive Director's Report

Mr. Rogers gave a brief summary on the Annual Meeting and asked for feedback from the Board. The overall consensus was very positive.

Mr. Rogers reported that the Tobacco Oversight Committee is meeting during the session. The committee is very pleased with the Owensboro Grain project and how it was handled by the Governor's Office of Agricultural Policy.

Mr. Rogers called on Tim Hughes for an update on the Kentucky Agricultural Finance Corporation (KAFC). He reported that the interest in KAFC's programs is increasing.

Mr. Rogers discussed the items in the update folder that would not be covered in the meeting. (On file with the Board Secretary)

Mr. Rogers presented a memo on the menu approach to model programs in the update folder.

Sam Moore moved to approve the memo from Mr. Rogers on the menu approach to model programs; Mr. Dick seconded the motion. The motion passed without dissent. (Memo on file with Board Secretary)

Mr. Rogers stated that budget hearings begin next week, which may include the Master Settlement Agreement proposal. The proposal could be adopted within the budget. Monday is the final date to introduce new bills and the following two weeks will be critical in this process.

Mr. Rogers reported the passing of HB 448 in the House to add another Board Member, representing Kentucky State University on the Agricultural Development Board.

Mr. Rogers mentioned that Central Kentucky Growers Cooperative contracted with Mike Pirrone's Produce and the issue will be discussed further at next month's board meeting.

Old Business

West Kentucky Growers Cooperative

Keith Rogers and Bill McCloskey went over the packet provided to the Board. (Packet on file with Board Secretary) Mr. Rogers reported that five growers expressed interest in forming partnership to lease the facility for 5 years. A business plan has been proposed by this group. Mr. Rogers asked Alan Taylor, Chairman of West Kentucky Growers Cooperative, to speak to the Board.

Mr. Judge made the motion to adjourn and continue into closed session pursuant to KRS 61.810 (c) to discuss "proposed litigation"; Mr. Dick seconded the motion. The motion passed without dissent.

The Board went into **Closed Session** to discuss the potential litigation related to the West Kentucky Growers Cooperative.

When the Board returned to Open Session, the following actions were taken:

New Business

Referral of March Projects¹

Mr. Rogers presented projects A2006-0005 through A2006-0032 for referral to the Board's March meeting for review. H. H. Barlow moved that projects A2006-0005 to A2006-0032 be referred for March review; Mr. Moore seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Mr. Rogers submitted projects requesting funds for county model programs. Mr. Moore moved that the applications be approved for the named model programs; Wayne Hunt seconded the motion. The motion passed without dissent.

Requested Amendments³

Mr. Rogers presented six requested amendments for approval. Mr. Barlow moved that the amendments be approved; Donna Amburgey seconded the motion. The motion passed without dissent.

Stephen Yates requested the Bath County Conservation District amendment for approval. The Conservation District requested that the evaluation criteria sheet used to score applicants for their Hay, Straw and Commodity storage program be changed to the sheet attached to the memo. (On File with Board Secretary)

Jimmy Henning moved that the said amendment be approved; Donna Amburgey seconded the motion. The motion passed without dissent.

Recommendations for Funding

Stephen Yates presented **A2005-0536, Jessamine County FFA Alumni Association.**

Jessamine County FFA Alumni Association requests \$6,000 of Jessamine County funds to cost share on 4H/FFA projects. Mr. Yates reviewed the proposed terms and conditions for the project.

Mrs. Amburgey moved that **A2005-0536 be approved for \$6,000 in Jessamine County funds**; John Cleaver seconded the motion. Questions were called for.

An amendment to the motion was made by Mr. Dick to remove tobacco plants, supplies and materials for growing tobacco crops; Mr. Case seconded the motion.

A roll call vote was called. Donna Amburgey - No; H. H. Barlow - No; Vickie Yates Brown - Yes; Danny Case - Yes; John Cleaver - Yes; Rodney Dick - Yes; Dennis Griffin - Yes; Wayne Hunt - No; Sam Lawson - Yes; Sam Moore - No; Jimmy Henning - No; Don Goodin - Yes The motion passed (7/5)

The main motion passed without dissent.

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B.

³ A detailed list of requested amendments approved is attached as Appendix C.

Brian Furnish presented **A2006-0028, Jackson County Cattleman's Association, Inc.** Jackson County Cattleman's Association, Inc. requests \$150,000 of Jackson County funds to administer a menu approach which will offer two programs. Mr. Furnish reviewed the proposed terms and conditions for the project.

Dr. Henning moved that **A2006-0028 be approved for \$150,000 in Jackson County funds**; Don Goodin seconded the motion. The motion passed without dissent.

Stephen Yates presented **A2005-0615, Lexington Lions Club, Inc.** The Lexington Lions Club, Inc. requests \$100,000 of Fayette County funds for 43% of the construction cost of a livestock education and show facility to be located in Masterson Station Park. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that **A2005-0615, Lexington Lions Club, Inc. be taken out of pending status and approved for \$100,000 in Fayette County funds**; Mr. Lawson seconded the motion. The motion passed without dissent.

Recommendations for Pending

The following applications were discussed, but no action was taken: Rebekah Grace Food & Supplements for Life, LLC (A2006-0001); B & R Drennan Enterprises, Inc. (A2006-0002); and Scott County Beef Improvement Association, Inc. (A2006-0004).

Stephen Yates handed out revisions to Scott County Beef Improvement Association Project. (On file with Board Secretary)

Old Business

West Kentucky Growers Cooperative

Mr. Judge made the motion to adjourn and continue into closed session pursuant to KRS 61.810 (c) to discuss "proposed litigation"; Mr. Barlow seconded the motion. The motion passed without dissent.

The Board returned to **Closed Session** to discuss the potential litigation related to the West Kentucky Growers Cooperative.

Mr. Hunt made the motion to grant the Executive Director the authority to fully exercise the rights enumerated in the loan agreements between the Agricultural Development Board and the West Kentucky Growers Cooperative to protect the interest of the Agricultural Development Board; Mr. Dick seconded the motion. The motion passed without dissent.

Mr. Cleaver made the motion that the Agricultural Development Board deny the request presented by Mr. Alan Taylor of West Kentucky Growers Cooperative on behalf of a yet to be created entity for leasing the facility at the West Kentucky Growers Cooperative; Mr. Lawson seconded the motion. The motion passed without dissent.

New Business

Kentucky West Nursery Cooperative

Mr. Rogers presented the information on Kentucky West Nursery in the packets provided to the Board. (Packet on file with Board Secretary)

Mr. Hunt made the motion to pursue the plan brought forth by Kentucky West Nursery Cooperative as presented with more details brought back at the March Agricultural Development Board Meeting; Mr. Barlow seconded the motion. The motion passed without dissent.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 AM EST on Friday, March 17, 2006 at Alltech, Inc. in Nicholasville, KY. Note time and location of meeting are subject to change; ample notification will be given if such a change occurs.

Mr. Hunt made the motion to adjourn; Mr. Griffin seconded the motion. The motion passed without dissent. The meeting adjourned at 4:19 PM.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENIDIX A: *New Applications for Referral*

<i>Appl #</i>	<i>Project Name</i>	<i>Project Type</i>
A2006-0005	Spencer County Conservation District	Forage Improvement & Utilization
A2006-0006	Garrard County Farm Bureau, Inc.	Forage Improvement & Utilization
A2006-0007	Montgomery County Cattlemen's Association, Inc.	Cattle Handling Facilities
A2006-0008	Montgomery County Cattlemen's Association, Inc.	Cattle Genetics Improvement
A2006-0009	Montgomery County Cattlemen's Association, Inc.	Hay, Straw, & Commodity
A2006-0010	Montgomery County Conservation District	Farm Livestock Fencing Improvement
A2006-0011	Montgomery County Conservation District	Forage Improvement & Utilization
A2006-0012	Montgomery Co. Farm Bureau of Montgomery Co.	Shared-use Equipment
A2006-0013	Robertson County Soil Conservation District	On-farm Water Enhancement
A2006-0014	Robertson County Soil Conservation District	Forage Improvement & Utilization
A2006-0015	Carlisle County Conservation District	Forage Improvement & Utilization
A2006-0016	Carlisle County Conservation District	Project
A2006-0017	Campbellsville-Taylor Co. Chamber of Commerce	Agricultural Diversification
A2006-0018	Campbellsville-Taylor Co. Chamber of Commerce	Agricultural Diversification
A2006-0019	Gateway Resource Conservation Development	Project
A2006-0020	Elk Creek Vineyards	Project
A2006-0021	Lan Mark Farm	Project
A2006-0022	Hinton's Farm, LLC	Project
A2006-0023	Alley Farms	Project
A2006-0024	Morgan County Fiscal Court	Forage Improvement & Utilization

APPENIDIX A: *New Applications for Referral*

A2006-0025	Washington County Meat Goat Association, Inc.	Goat Diversification
A2006-0026	Dairy Herd Improvement Incorporated	Cattle Genetics Improvement
A2006-0027	Dairy Herd Improvement Incorporated	Dairy Diversification
A2006-0028	Jackson Co. Cattlemen's Association, Inc.	Project
A2006-0029	Mandolin Farm Bluegrass Festival	Project
A2006-0030	Mt. Sterling-Montgomery County Industrial Authority	Project
A2006-0031	Kentucky Agricultural Finance Corporation	Project
A2006-0032	Kentucky Agricultural Finance Corporation	Project

APPENIDIX B: Model Program Lists**Agricultural Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0018	Campbellsville-Taylor County Chamber of Commerce, Inc	Taylor	\$4,000.00
A2006-0017	Campbellsville-Taylor County Chamber of Commerce, Inc	Taylor	\$2,850.00
			\$6,850.00

Cattle Genetics Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0003	Bracken County Agricultural Advancement Council, Inc.	Bracken	\$52,500.00
A2006-0008	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$12,500.00
A2006-0026	Dairy Herd Improvement Incorporated	Simpson	\$7,000.00
			\$72,000.00

Cattle Handling Facilities

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0007	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$21,000.00
			\$21,000.00

Dairy Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0027	Dairy Herd Improvement Incorporated	Simpson	\$8,750.00
			\$8,750.00

Farm Livestock Fencing Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0010	Montgomery County Conservation District	Montgomery	\$45,000.00
			\$45,000.00

Forage Improvement & Utilization

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0015	Carlisle County Conservation District	Carlisle	\$36,750.00
A2006-0006	Garrard County Farm Bureau, Inc.	Garrard	\$20,000.00
A2005-0625	Jessamine County Conservation District	Jessamine	\$26,000.00
A2006-0011	Montgomery County Conservation District	Montgomery	\$11,500.00
A2006-0024	Morgan County Fiscal Court	Morgan	\$169,183.00
A2006-0014	Robertson County Soil Conservation District	Robertson	\$75,000.00
A2006-0005	Spencer County Conservation District	Spencer	\$75,000.00
			\$413,433.00

APPENIDIX B: *Model Program Lists*

Goat Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0624	Jessamine County Goat Producers, Inc.	Jessamine	\$9,743.00
A2006-0025	Washington County Meat Goat Association, Inc.	Washington	\$14,000.00
			\$23,743.00

Hay, Straw, & Commodity Storage

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0009	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$50,000.00
			\$50,000.00

On-farm Water Enhancement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0013	Robertson County Soil Conservation District	Robertson	\$57,000.00
			\$57,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2006-0012	Montgomery County Farm Bureau of Montgomery County, Kentucky	Montgomery	\$19,000.00
			\$19,000.00
<i>Total County Funds Recommended for Approval in Model Programs:</i>			\$716,776.00

APPENIDIX C: Requested Amendments

App # **A2005-0310**
Applicant Name **Taylor County Farm Bureau of Taylor County, Kentucky**
Amount Approved \$142,000.00
Date June 17, 2005
Requested Change The applicant requests an additional \$16,000.00 for the *Hay, Straw, & Commodity Storage* Program. The request received a High priority from the Taylor County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$158,000.00.
Recommendation Approval

App# **A2005-0027**
Applicant Name **Rowan County Fiscal Court**
Amount Approved \$16,000.00
Date February 18, 2005
Requested Change The applicant requests an additional \$12,813.00 for the *Hay, Straw, & Commodity Storage* Program. The request received a High priority from the Rowan County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$28,813.00.
Recommendation Approval

App# **A2005-0175**
Applicant Name **Graves County Soil Association**
Amount Approved \$25,000.00
Date June 17, 2005
Requested Change The applicant requests to withdraw \$10,000 in Graves County funds and \$15,000 in KCADE funds for a bio-diesel facility feasibility study that would give updated, independent, fact based information on the realities concerning construction and demand for a facility in the local Purchase Area.
Recommendation Approval

App# **A2004-0103**
Applicant Name **Pendleton County Farm Bureau**
Amount Approved \$50,000.00
Date April 29, 2004
Requested Change The applicant requests an additional \$10,000.00 for the *Cattle Handling Facilities* Program. The request received a High priority from the Pendleton County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$60,000.00.
Recommendation Approved

APPENIDIX C: Requested Amendments

App#	A2004-0102
Applicant Name	Pendleton County Farm Bureau
Amount Approved	\$200,000.00
Date	April 29, 2004
Requested Change	The applicant requests an <u>additional</u> \$36,600.00 for the <i>Hay, Straw, & Commodity Storage</i> Program. The request received a High priority from the Pendleton County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$236,600.00.
Recommendation	Approval

App#	A2005-0596
Applicant Name	Owensboro Grain Company, LLC
Amount Approved	\$1,000,000 (State Funds) & \$108,000 (County Funds)
Date	January 20, 2006
Requested Change	The applicant has received an <u>additional</u> \$43,250 in county funds from Simpson County (\$33,250) and Todd County (\$10,000) for the construction of a bio-diesel production facility. Both counties gave the request a high priority. Approval of this request would bring the county contributions to \$151,250.
Recommendation	Approval